

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/21/10

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## FINANCIAL SECTION

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

We have audited the accompanying Statements of Financial Position of Algiers Charter School Association ("ACSA") (a nonprofit organization), and the related Statements of Activities, Statement of Cash Flows, and the Statement of Functional Expenses for the year ended June 30, 2007. These financial statements are the responsibility of the Organization's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACSA as of June 30, 2007 and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2008 on our consideration of ACSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying combining and individual school financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of ACSA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Reboue & Company*

March 6, 2008

## **BASIC FINANCIAL STATEMENTS**

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2007**

**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$ 6,375,406
Manual checks receivable	6,202
Intergovernmental receivables	4,320,582
Other receivables	89,089
Prepaid expenses	<u>129,152</u>
Total Current Assets	<u>10,920,431</u>

**Other Assets:**

Deposits	<u>6,700</u>
Total Other Assets	<u>6,700</u>

**Non-Current Assets:**

Property and equipment (net of accumulated depreciation)	<u>527,760</u>
Total Assets	<u><u>\$ 11,454,891</u></u>

**LIABILITIES**

**Current Liabilities:**

Accounts payable and accrued expenses	\$ 2,412,898
Due to other governments	234,539
Deferred revenue	224,507
Due to pooled cash, net	<u>777,158</u>
Total Liabilities	<u>3,649,102</u>

**Net Assets:**

Unrestricted	7,805,789
Total Net Assets	<u>7,805,789</u>
Total Liabilities and Net Assets	<u><u>\$ 11,454,891</u></u>

The notes to the financial statements are an integral part of this statement.



**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2007**

**UNRESTRICTED NET ASSETS**

**Public Support Revenues and Other Support**

Unrestricted grants in aid - State	\$ 19,104,885
Restricted grants in aid - Federal and State	4,573,711
Donations - unrestricted	344,057
Miscellaneous revenue	<u>320,731</u>
Total Public Support Revenues and Other Support	<u>24,343,384</u>

**Expenses**

Program services:	
Instructional	14,936,063
Supporting services:	
Management and general	<u>10,685,671</u>
Total Expenses	<u>25,621,734</u>

Decrease in Unrestricted Net Assets	<u>(1,278,350)</u>
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Net assets at beginning of fiscal year	<u>9,084,139</u>
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Net assets at end of fiscal year	<u><u>\$ 7,805,789</u></u>
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The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2007**

	<u>2007</u>
<b>Cash Flows from Operating Activities</b>	
Decrease in net assets	\$ (1,278,350)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation	118,832
(Increase)/Decrease in assets:	
Accounts receivable	674,598
Prepaid insurance	4,737
Deposits	(2,870)
Increase/(Decrease) in liabilities:	
Accounts payable and other accrued expenses	1,755,671
Deferred revenues	(17,350)
Due to other fund	<u>1,387,025</u>
Net cash provided by operating activities	<u>2,642,293</u>
 <b>CASH FLOWS - INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(601,130)</u>
Net cash used in investing activities	<u>(601,130)</u>
 Net increase in cash and cash equivalents	2,041,163
Cash and cash equivalents, Beginning of Year	<u>4,334,243</u>
Cash and cash equivalents, End of Year	<u><u>6,375,406</u></u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2007**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	
		Management and	Total
Expenses:	<u>Instructional</u>	<u>General</u>	<u>Expenses</u>
Food service management	\$ -	\$ 1,105,932	\$ 1,105,932
Insurance	141,118	47,039	188,158
Other	46,102	414,914	461,016
Professional services	275,973	1,103,892	1,379,865
Rent	-	244,642	244,642
Repairs and maintenance	138,682	2,634,955	2,773,637
Salaries and benefits	12,618,408	4,206,136	16,824,543
Supplies	498,424	332,283	830,707
Transportation	1,163,064	61,214	1,224,278
Travel	37,267	211,182	248,449
Utilities	17,025	323,482	340,508
	<u>\$ 14,936,063</u>	<u>\$ 10,685,671</u>	<u>\$ 25,621,734</u>

The notes to the financial statements are an integral part of this statement.

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**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Algiers Charter School Association ("ACSA") was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education ("BESE") has granted ACSA seven (7) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, Harriet R. Tubman Elementary, and O. Perry Walker Senior High. The charters are valid for an initial period of five (5) years ending on June 30, 2011. All ACSA schools are governed by the ACSA Board of Directors.

In addition to the seven (7) schools operated under the charter agreement with BESE, ACSA operates two (2) schools under a charter agreement with Orleans Parish School Board. These two (2) schools, Alice M. Harte Elementary and Edna Karr Senior High, are reported separately. Because the Central Office provides services to all nine (9) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Income Tax Status

ACSA is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash includes the amounts in demand deposits and interest – bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

Compensated Absences

ACSA compensates employees entitled to paid leave using their base hourly rate, excluding shift premiums and overtime compensation, if any.

*Paid time off* – All employees will earn two days of paid time off per month, up to ten (10) paid

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

days off accrued in the year for 11-month, 10-month, 9.75-month and 9.5-month employees and up to 24 days off accrued in the year for 12-month employees. ACSA employees have the right to carry over no more than fifteen (15) paid days off into the 2007/2008 school year.

Basis of Presentation

ACSA follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*, which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the Organization.

Property and Equipment

Property and equipment are capitalized at cost. It is ACSA's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

Office Equipment	4 – 10 years
Buildings and Improvements	20 – 50 years

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

ACSA had the following cash as of June 30, 2006

	<u>Total</u>
Demand Deposits	\$ 1,402,589
Time Deposits	<u>4,972,817</u>
	<u>\$ 6,375,406</u>

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2006, ACSA's demand deposit bank balances of \$6,375,406 were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

**NOTE C - INTERFUND RECEIVABLES AND PAYABLES**

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2007 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
Central Office	\$ 8,546,673	Behrman	\$ 1,725,506
McDonogh	274,838	Eisenhower	2,494,878
Central Office SR	5,016	Fischer	868,592
Behrman SR	225,626	Tubman	21,141
Eisenhower SR	115,355	Walker	<u>3,525,385</u>
Fischer SR	25,637		
McDonogh SR	2,330	Total	<u>\$ 8,635,502</u>
Tubman SR	27,845		
Walker SR	<u>189,340</u>		
Total	<u>\$ 9,412,660</u>		

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ASCA's operations.

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note A.

**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2007 consists of the following:

	<u>2007</u>
Furniture, fixtures, and equipment	\$ 615,390
Buildings	21,632
Leasehold improvements	11,875
Less accumulated depreciation	<u>(121,137)</u>
Property and equipment, net	<u>\$ 527,760</u>

Depreciation expense for ACSA for the year ended June 30, 2007 was \$ 118,832.

During the year ended June 30, 2007, ACSA acquired \$ 601,130 in property and equipment.



**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE E - RETIREMENT PLANS**

ACSA offers participants in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, LA 70804-9123  
(225) 925-6446

1. *Plan Description*—All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRSL.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions Required and Made*—Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	15.80%

Employees contribute 8% of their salaries. ACSA contributes 15.8% of the employees' salaries as a contribution. ACSA's contributions were \$1,636,283 for the year end June 30, 2007.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2007**

**NOTE F - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

## **SUPPLEMENTAL INFORMATION**

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION BY SCHOOL**  
**June 30, 2007**

**ASSETS**

	School Funds							
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonough	Tubman	Walker
Current Assets:								
Cash and cash equivalents	\$ 6,375,249	\$ -	\$ -	\$ -	\$ 157	\$ -	\$ -	\$ -
Prepaid expenses	-	-	24,057	21,296	20,287	9,521	18,299	35,692
Accounts receivable	6,202	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	333,637	356,208	86,921	15,842	10,562	504,426
Other receivables	-	-	18,584	11,372	24,744	7,855	14,707	11,827
Due from pooled cash	-	-	1,725,506	2,494,878	868,592	-	21,141	3,525,385
Total Current Assets	6,381,451	-	2,101,784	2,883,754	1,000,701	33,218	64,709	4,077,330
Other Assets:								
Deposits	-	-	1,050	1,050	1,050	750	1,750	1,050
Total Other Assets	-	-	1,050	1,050	1,050	750	1,750	1,050
Non-Current Assets:								
Property and equipment (net of accumulated depreciation)	84,920	-	47,753	35,012	30,527	2,331	103,334	20,462
Total Assets	\$ 6,466,371	\$ -	\$ 2,150,587	\$ 2,919,816	\$ 1,032,278	\$ 36,299	\$ 169,793	\$ 4,098,842
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts payable and accrued expenses	\$ 545,193	\$ 16,536	\$ 381,601	\$ 261,277	\$ 239,484	\$ 143,476	\$ 255,054	\$ 441,460
Interfund payables	-	-	-	-	-	-	-	-
Due to other governments	-	-	25,513	25,513	158,000	-	-	25,513
Deferred revenues	-	-	70,384.00	68,351.00	20,050.00	-	-	65,723
Due to pooled cash	8,546,673	-	-	-	-	274,838	-	-
Total Current Liabilities	9,091,866	16,536	477,498	355,141	417,534	418,314	255,054	532,695
Unrestricted	(2,625,495)	(16,536)	1,673,089	2,564,575	614,744	(382,015)	(85,261)	3,566,147
Temporarily restricted	-	-	-	-	-	-	-	-
Total Net Assets	(2,625,495)	(16,536)	1,673,089	2,564,575	614,744	(382,015)	(85,261)	3,566,147
Total Liabilities and Net Assets	\$ 6,466,371	\$ -	\$ 2,150,587	\$ 2,919,816	\$ 1,032,278	\$ 36,299	\$ 169,793	\$ 4,098,842

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION BY SCHOOL**  
**June 30, 2007**

**ASSETS**

	Special Revenue Funds								
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Total
Current Assets:									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,375,406
Prepaid expenses	-	-	-	-	-	-	-	-	129,152
Accounts receivable	-	-	-	-	-	-	-	-	6,202
Intergovernmental receivables	-	-	672,748	627,146	382,728	165,469	314,537	850,358	4,320,582
Other receivables	-	-	-	-	-	-	-	-	89,089
Due from pooled cash	-	-	-	-	-	-	-	-	8,635,502
Total Current Assets	-	-	672,748	627,146	382,728	165,469	314,537	850,358	19,555,933
Other Assets:									
Deposits	-	-	-	-	-	-	-	-	6,700
Total Other Assets	-	-	-	-	-	-	-	-	6,700
Non-Current Assets:									
Property and equipment (net of accumulated depreciation)	-	-	63,272	67,330	946	946	3,004	67,923	527,760
Total Assets	\$ -	\$ -	\$ 736,020	\$ 694,476	\$ 383,674	\$ 166,415	\$ 317,541	\$ 918,281	\$ 20,090,393
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts payable and accrued expenses	\$ -	\$ 1,330	\$ 19,396	\$ 17,074	\$ 18,538	\$ 12,942	\$ 30,491	\$ 29,046	\$ 2,412,898
Interfund payables	-	-	-	-	-	-	-	-	234,539
Due to other governments	-	-	-	-	-	-	-	-	224,507
Deferred revenues	-	-	-	-	-	-	-	-	-
Due to pooled cash	5,016	-	225,626	115,355	25,637	2,330	27,845	189,340	9,412,660
Total Current Liabilities	5,016	1,330	245,022	132,429	44,175	15,272	58,336	218,386	12,284,604
Unrestricted	(5,016)	# (1,330)	490,998	562,047	# 339,499	# 151,143	# 259,205	# 699,895	7,805,789
Temporarily restricted	-	-	-	-	-	-	-	-	-
Total Net Assets	(5,016)	(1,330)	490,998	562,047	339,499	151,143	259,205	699,895	7,805,789
Total Liabilities and Net Assets	\$ -	\$ -	\$ 736,020	\$ 694,476	\$ 383,674	\$ 166,415	\$ 317,541	\$ 918,281	\$ 20,090,393

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES BY SCHOOL**  
**For the Year Ended June 30, 2007**

	School Funds							
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker
<b>UNRESTRICTED NET ASSETS</b>								
Public Support and Other Revenues								
Unrestricted grants in aid - State	\$ 9	\$ -	\$ 3,293,166	\$ 3,524,287	\$ 2,697,309	\$ 1,141,778	\$ 2,500,433	\$ 5,651,132
Restricted grants in aid - Federal and State	84	-	387,914	249,330	376,612	238,394	412,050	193,114
Donations	77,878	-	77,970	65,171	20,006	375	88,000	14,657
Miscellaneous revenue	320,059	-	(25,554.00)	-	-	-	-	26,226
Total Public Support and Other Revenues	398,030	-	3,733,496	3,838,788	3,093,927	1,380,547	3,000,483	5,885,129
Net Assets Released from Restrictions								
Restrictions satisfied by payments	-	-	-	-	-	-	-	-
Total support, revenues and reclassifications	398,030	-	3,733,496	3,838,788	3,093,927	1,380,547	3,000,483	5,885,129
<b>Expenses</b>								
Program services:								
Instructional	1,474,570	11,467	2,874,046	2,340,189	2,014,906	935,021	1,812,293	3,336,586
Supporting services:								
Management and general	1,548,955	5,069	1,855,604	1,528,229	1,270,262	827,541	1,273,451	1,997,002
Total Expenses	3,023,525	16,536	4,729,650	3,868,418	3,285,168	1,762,562	3,085,744	5,333,588
Increase in unrestricted net assets	(2,625,495)	(16,536)	(996,154)	(29,630)	(191,241)	(382,015)	(85,261)	551,541
<b>TEMPORARILY RESTRICTED NET ASSETS</b>								
Net assets released from restrictions	-	-	-	-	-	-	-	-
Increase in temporarily restricted net assets	-	-	-	-	-	-	-	-
Net assets at beginning of fiscal year	-	-	2,669,243	2,594,305	805,985	-	-	3,014,606
Net assets at end of fiscal year	\$ (2,625,495)	\$ (16,536)	\$ 1,673,089	\$ 2,564,675	\$ 614,744	\$ (382,015)	\$ (85,261)	\$ 3,566,147

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES BY SCHOOL**  
**For the Year Ended June 30, 2007**

	Special Revenue Funds								
	Central Office	ATA	Beirman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Total
<b>UNRESTRICTED NET ASSETS</b>									
Public Support and Other Revenues									
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,771	\$ 19,104,885
Restricted grants in aid - Federal and State	-	-	672,747	627,145	382,727	165,469	314,537	553,588	4,573,711
Donations	-	-	-	-	-	-	-	-	344,057
Miscellaneous revenue	-	-	-	-	-	-	-	-	320,731
Total Public Support and Other Revenues	-	-	672,747	627,145	382,727	165,469	314,537	850,359	24,343,384
Net Assets Released from Restrictions	-	-	-	-	-	-	-	-	-
Restrictions satisfied by payments	-	-	-	-	-	-	-	-	-
Total support, revenues and reclassifications	-	-	672,747	627,145	382,727	165,469	314,537	850,359	24,343,384
<b>Expenses</b>									
Program services:									
Instructional	2,598	181	49,470	17,157	3,300	918	10,855	52,505	14,936,063
Supporting services:									
Management and general	2,418	1,149	132,279	47,941	39,928	13,408	44,477	97,959	10,685,671
Total Expenses	5,016	1,330	181,749	65,098	43,228	14,326	55,332	150,464	25,621,734
Increase in unrestricted net assets	(5,016)	(1,330)	490,998	562,047	339,499	151,143	259,205	699,895	(1,278,350)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>									
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Increase in temporarily restricted net assets	-	-	-	-	-	-	-	-	-
Net assets at beginning of fiscal year	-	-	-	-	-	-	-	-	9,084,139
Net assets at end of fiscal year	\$ (5,016)	\$ (1,330)	\$ 490,998	\$ 562,047	\$ 339,499	\$ 151,143	\$ 259,205	\$ 699,895	\$ 7,805,789

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF EXPENSES BY SCHOOL**  
**For the Year Ended June 30, 2007**

Expenses	Central Office	School Funds						
		ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker
Food service management	\$ 45	\$ -	\$ 213,975	\$ 210,914	\$ 188,700	\$ 87,839	\$ 178,600	\$ 107,443
Insurance	23,813	-	28,841	26,342	20,390	10,115	36,260	42,397
Other	96,102	485	70,392	61,231	34,702	8,912	25,972	95,376
Professional services	813,373	684	118,679	100,991	167,888	51,642	50,993	29,746
Rent	69,424	-	8,549	8,528	7,879	4,507	7,303	127,160
Repairs and maintenance	205,759	-	492,235	415,783	250,416	354,273	474,089	579,327
Salaries and benefits	1,559,450	14,534	3,309,291	2,645,475	2,292,954	1,099,775	2,107,249	3,795,795
Supplies	158,861	592	116,777	67,338	78,810	28,675	49,822	151,535
Transportation	-	-	249,155	257,309	188,128	54,014	144,307	331,365
Travel	43,989	-	22,089	6,437	15,563	20,118	6,190	40,993
Utilities	52,710	221	99,667	68,070	39,738	42,692	4,959	32,451
Total Expenses	\$ 3,023,525	\$ 16,536	\$ 4,729,650	\$ 3,868,418	\$ 3,285,168	\$ 1,762,562	\$ 3,085,744	\$ 5,333,588

Expenses	Special Revenue Funds							Total	
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman		Walker
Food service management	\$ -	\$ -	\$ 28,021	\$ 25,371	\$ 19,621	\$ 12,134	\$ 16,368	\$ 16,901	\$ 1,105,932
Insurance	-	-	-	-	-	-	-	-	188,158
Other	190	850	30,915	11,361	5,532	131	3,424	15,441	461,016
Professional services	621	480	22,330	1,100	120	-	2,460	18,758	1,379,865
Rent	-	-	1,242	-	-	-	-	10,050	244,642
Repairs and maintenance	-	-	65	625	-	430	165	470	2,773,637
Salaries and benefits	-	-	-	-	-	-	-	-	16,824,543
Supplies	4,054	-	60,072	26,164	65	1,420	11,279	75,243	830,707
Transportation	-	-	-	-	-	-	-	-	1,224,278
Travel	151	-	39,104	477	17,890	211	21,636	13,601	248,449
Utilities	-	-	-	-	-	-	-	-	340,508
Total Expenses	\$ 5,016	\$ 1,330	\$ 181,749	\$ 65,098	\$ 43,228	\$ 14,326	\$ 55,332	\$ 150,464	\$ 25,621,734

See accompanying notes to financial statements.



## **PERFORMANCE STATISTICAL DATA**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors of  
**Algiers Charter School Association**  
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Algiers Charter School Association (ACSA) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ACSA and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. ACSA is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

#### Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2006.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2006 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

#### Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application).

#### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2006 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

#### Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

#### Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2006 roll

books for those classes and determined that the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

11. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by ACSA.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Algiers Charter School Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

March 6, 2008

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2007**  
**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 6,427,065	
Other Instructional Staff Activities	84,122	
Employee Benefits	2,509,336	
Purchased Professional and Technical Services	101,890	
Instructional Materials and Supplies	280,418	
Instructional Equipment	104,949	
Total Teacher and Student Interaction Activities		<u>9,507,780</u>

Other Instructional Activities		<u>1,849,783</u>
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Pupil Support Activities	867,850	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		<u>867,850</u>

Instructional Staff Services	851,160	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		<u>851,160</u>

School Administration	1,293,114	
Less: Equipment for School Administration	-	
Net School Administration		<u>1,293,114</u>

Total General Fund Instructional Expenditures		<u>\$ 14,369,687</u>
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Total General Fund Equipment Expenditures		<u>\$ 104,949</u>
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**Certain Local Revenue Sources**

**Local Taxation Revenue:**

Local Revenue - MFP	\$ 7,556,436	
Other Local Revenue - Donations & Interest	675,964	
Total Local Taxation Revenue		<u>8,232,400</u>

**State Revenue:**

State Revenue - MFP	\$ 10,969,991	
Other State Revenue	205,692	
Total State Revenue in Lieu of Taxes		<u>11,175,683</u>

Total Revenues		<u>\$ 19,408,083</u>
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**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**Education Levels of Public School Staff**  
**As of October 1, 2006**  
**Schedule 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0.00%	1	3.85%	-	0.00%	-	NA
Bachelor's Degree	113	63.13%	25	96.15%	-	0.00%	-	NA
Master's Degree	57	31.84%	-	0.00%	9	75.00%	-	NA
Master's Degree + 30	9	5.03%	-	0.00%	3	25.00%	-	NA
Specialist in Education	-	0.00%	-	0.00%	-	0.00%	-	NA
Ph. D. or Ed. D.	-	0.00%	-	0.00%	-	0.00%	-	NA
Total	179	100.00%	26	100.00%	12	100.00%	-	0.00%

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**Number and Type of Public Schools**  
**For the Year Ended June 30, 2007**  
**Schedule 3**

Type	Number
Elementary	5
Middle/Jr. High	n/a
Secondary	1
Combination	n/a
<b>Total</b>	<b>6</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

Disclosure: We only tested schools which offered a curriculum  
higher than Kindergarten and did not exceed the twelfth grade level.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2006**  
**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	3	1	2	0	0	6
Principals	0	0	2	2	1	1	0	6
Classroom Teachers	17	18	62	27	26	19	36	205
<b>Total</b>	<b>17</b>	<b>18</b>	<b>67</b>	<b>30</b>	<b>29</b>	<b>20</b>	<b>36</b>	<b>217</b>



**ALGIERS CHARTER SCHOOL ASSOCIATION**

**Public School Staff Data**

**For the Year Ended June 30, 2007**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
Average Classroom Teachers' Salary Including Extra Compensation	41,517	41,390
Average Classroom Teachers' Salary Excluding Extra Compensation	*	*
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	208	205

\* Not available

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (ex. extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**Disclosure:** Information was obtained from the Data Verification Report for the 2006-2007 school year.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**Class Size Characteristics**  
**As of October 2, 2006**  
**Schedule 6**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	56%	121	28%	61	1%	3	15%	33
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	64%	233	25%	92	10%	36	1%	4
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

\* LEADS data was not available for the 06-07 Academic Year.

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2007**  
**Schedule 7**

Association Results	English Language Arts		Mathematics	
Students	2007		2007	
Grade 4	Number	Percent	Number	Percent
Advanced	7	3%	1	0%
Mastery	23	11%	15	7%
Basic	91	43%	71	33%
Approaching Basic	41	19%	42	20%
Unsatisfactory	52	24%	85	40%
Total	214	100%	214	100%

Association Results	Science		Social Studies	
Students	2007		2007	
Grade 4	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Mastery	4	2%	7	3%
Basic	64	30%	79	37%
Approaching Basic	82	38%	53	25%
Unsatisfactory	65	30%	76	35%
Total	215	100%	215	100%

Association Results	English Language Arts		Mathematics	
Students	2007		2007	
Grade 8	Number	Percent	Number	Percent
Advanced	2	1%	2	1%
Mastery	5	3%	4	2%
Basic	66	41%	75	46%
Approaching Basic	68	42%	39	24%
Unsatisfactory	21	13%	42	26%
Total	162	100%	162	100%

Association Results	Science		Social Studies	
Students	2007		2007	
Grade 8	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Mastery	18	11%	15	9%
Basic	58	36%	68	42%
Approaching Basic	53	33%	43	27%
Unsatisfactory	33	20%	36	22%
Total	162	100%	162	100%

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2007**  
**Schedule 8**

Association Results	English Language Arts		Mathematics	
Students	2007		2007	
Grade 10	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Mastery	1	0%	18	8%
Basic	60	25%	91	38%
Approaching Basic	73	31%	45	19%
Unsatisfactory	105	44%	83	35%
Total	239	100%	237	100%

Association Results	Science		Social Studies	
Students	2007		2007	
Grade 11	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Proficient	1	1%	2	1%
Basic	23	13%	85	49%
Approaching Basic	66	38%	46	26%
Unsatisfactory	85	49%	42	24%
Total	175	100%	175	100%

**ALGIERS CHARTER SCHOOL ASSOCIATION**

**The LEAP Tests**

**For the Year Ended June 30, 2007**

**Schedule 9**

<b>Association Results</b>	<b>English Language Arts</b>		<b>Mathematics</b>	
<b>Students</b>	<b>2007</b>		<b>2007</b>	
<b>Grade 3</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Advanced	1	0%	2	1%
Mastery	8	4%	7	3%
Basic	60	28%	46	21%
Approaching Basic	58	27%	57	26%
Unsatisfactory	89	41%	104	48%
<b>Total</b>	<b>216</b>	<b>100%</b>	<b>216</b>	<b>100%</b>

<b>Association Results</b>	<b>Science</b>		<b>Social Studies</b>	
<b>Students</b>	<b>2007</b>		<b>2007</b>	
<b>Grade 3</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Advanced	0	0%	0	0%
Mastery	3	1%	9	4%
Basic	41	19%	60	28%
Approaching Basic	90	42%	67	31%
Unsatisfactory	80	37%	79	37%
<b>Total</b>	<b>214</b>	<b>100%</b>	<b>215</b>	<b>100%</b>

<b>Association Results</b>	<b>English Language Arts</b>		<b>Mathematics</b>	
<b>Students</b>	<b>2007</b>		<b>2007</b>	
<b>Grade 5</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Advanced	1	0%	1	0%
Mastery	6	2%	4	2%
Basic	49	19%	51	19%
Approaching Basic	69	26%	47	18%
Unsatisfactory	138	52%	159	61%
<b>Total</b>	<b>263</b>	<b>100%</b>	<b>262</b>	<b>100%</b>

<b>Association Results</b>	<b>Science</b>		<b>Social Studies</b>	
<b>Students</b>	<b>2007</b>		<b>2007</b>	
<b>Grade 5</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Advanced	0	0%	0	0%
Mastery	5	2%	4	2%
Basic	40	15%	69	26%
Approaching Basic	95	36%	73	28%
Unsatisfactory	122	47%	115	44%
<b>Total</b>	<b>262</b>	<b>100%</b>	<b>261</b>	<b>100%</b>

<b>Association Results</b>	<b>English Language Arts</b>		<b>Mathematics</b>	
<b>Students</b>	<b>2007</b>		<b>2007</b>	
<b>Grade 6</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Advanced	0	0%	1	0%
Mastery	22	10%	5	2%
Basic	74	32%	91	40%
Approaching Basic	62	27%	42	18%
Unsatisfactory	72	31%	91	40%
<b>Total</b>	<b>230</b>	<b>100%</b>	<b>230</b>	<b>100%</b>

**ALGIERS CHARTER SCHOOL ASSOCIATION**

**The LEAP Tests**

**For the Year Ended June 30, 2007**

**Schedule 9**

<b>Association Results</b>	<b>Science</b>		<b>Social Studies</b>	
Students	2007		2007	
<b>Grade 6</b>	Number	Percent	Number	Percent
Advanced	1	0%	0	0%
Mastery	3	1%	4	2%
Basic	81	35%	68	30%
Approaching Basic	84	37%	77	33%
Unsatisfactory	61	27%	81	35%
<b>Total</b>	<b>230</b>	<b>100%</b>	<b>230</b>	<b>100%</b>

<b>Association Results</b>	<b>English Language Arts</b>		<b>Mathematics</b>	
Students	2007		2007	
<b>Grade 7</b>	Number	Percent	Number	Percent
Advanced	1	1%	0	0%
Mastery	7	4%	3	2%
Basic	67	34%	58	30%
Approaching Basic	75	38%	57	29%
Unsatisfactory	45	23%	77	39%
<b>Total</b>	<b>195</b>	<b>100%</b>	<b>195</b>	<b>100%</b>

<b>Association Results</b>	<b>Science</b>		<b>Social Studies</b>	
Students	2007		2007	
<b>Grade 7</b>	Number	Percent	Number	Percent
Advanced	1	1%	1	1%
Mastery	7	4%	7	4%
Basic	53	27%	70	36%
Approaching Basic	74	38%	61	31%
Unsatisfactory	60	31%	55	28%
<b>Total</b>	<b>195</b>	<b>100%</b>	<b>194</b>	<b>100%</b>

<b>Association Results</b>	<b>English Language Arts</b>		<b>Mathematics</b>	
Students	2007		2007	
<b>Grade 9</b>	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Mastery	0	0%	1	1%
Basic	22	13%	28	16%
Approaching Basic	81	47%	45	26%
Unsatisfactory	71	41%	100	57%
<b>Total</b>	<b>174</b>	<b>100%</b>	<b>174</b>	<b>100%</b>

**OMB CIRCULAR A-133 COMPLIANCE AND  
GOVERNMENT AUDITING STANDARDS REPORTS**

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
**Algiers Charter School Association**  
New Orleans, Louisiana

We have audited the financial statements of Algiers Charter School Association ("ACSA") as of and for the year ended June 30, 2007, and have issued our report thereon dated March 6, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered ACSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects ACSA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of ACSA's financial statements that is more than inconsequential will not be prevented or detected by ACSA's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by ACSA's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies



in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of ACSA's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

March 6, 2008

# REBOWE & COMPANY

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Directors  
**Algiers Charter School Association**  
New Orleans, Louisiana

### Compliance

We have audited the compliance of Algiers Charter School Association ("ACSA") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. ACSA's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of ACSA's management. Our responsibility is to express an opinion on ACSA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACSA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on ACSA's compliance with those requirements.

In our opinion, ACSA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control Over Compliance

The management of ACSA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered ACSA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for expressing an opinion on the effectiveness of ACSA's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of ACSA as of and for the year ended June 30, 2007 and have issued our report thereon dated March 6, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise ACSA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of ACSA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

ACSA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACSA's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Algiers Charter School Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

March 6, 2008

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Receipts or Revenue Recognized	Disbursements/ Expenditures
<u>U.S. Department of Education</u>			
Passed-Through State Department of Education:			
ESEA of 1965, Title I, Part A	84.010	\$ 1,358,121	\$ 1,358,121
IDEA, Part B	84.027	662,048	662,048
ESEA, Title IV, Part A	84.186	26,072	26,072
ESEA of 1965, Title V, Part A	84.298	34,795	34,795
ESEA of 1965, Title II, Part A	84.367	363,645	363,645
HERA, Restart	84.938	-	284,861
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 2,444,681</u>	<u>\$ 2,729,542</u>
<u>U.S. Department of Agriculture</u>			
Passed-Through State Department of Agriculture:			
National School Lunch Program			
Free and Reduced Price Meals	10.555	\$ 1,241,369	\$ 1,241,212
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 1,241,369</u>	<u>\$ 1,241,212</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-Through State Department of Health and Human Services:			
Temporary Assistance for Needy Families (TANF)	93.558	\$ 866,355	\$ 828,158
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 866,355</u>	<u>\$ 828,158</u>
<u>Other Programs</u>			
Passed-Through Alvin Callender Air Force Base:			
Reserve Officer Training Corp. (ROTC)	99.999	\$ 21,306	\$ 21,306
TOTAL OTHER PROGRAMS		<u>\$ 21,306</u>	<u>\$ 21,306</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 4,573,711</u>	<u>\$ 4,820,218</u>

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**Year Ended June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIC OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

**2. ACCRUED AND DEFERRED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

**3. PAYMENTS TO SUBRECIPIANTS**

There were no payments to subrecipients for the year ended June 30, 2007.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter School Association.
2. No reportable conditions in internal control relating to the audit of the financial statements of Algiers Charter School Association are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Algiers Charter School Association is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unqualified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were:

	<u>CFDA No.</u>
National School Lunch Program	10.555
ESEA of 1965, Title I, Part A	84.010
IDEA, Part B	84.027
ESEA of 1965, Title II, Part A	84.367
Temporary Assistance for Needy Families (TANF)	93.558
8. The threshold for distinguishing between type A and type B programs was \$300,000.
9. Algiers Charter School Association was determined to be a low-risk auditee.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended June 30, 2007**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings required to be reported in this section.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL  
AWARD PROGRAMS**

There were no findings required to be reported in this section.



**ALGIERS CHARTER SCHOOL ASSOCIATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL  
AWARD PROGRAMS**

US Department of Education, Public Charter School Grant, CFDA 84.282

**Finding 06-01**

Claims submitted for reimbursement were \$79,000 in excess of actual expenditures.

**Recommendation**

ACSA should contact the grantor agency to determine how to resolve this over claimed amount.

**Current Year Status**

Resolved

US Department of Education, Emergency Impact Aid Grant, CFDA 84.938C

**Finding 06-02**

Claims submitted for reimbursement were \$127,565 in excess of actual expenditures.

**Recommendation**

ACSA should contact the grantor agency to determine how to resolve this over claimed amount.

**Current Year Status**

Resolved

**SECTION III - MANAGEMENT LETTER**

Special Revenue Fund Budgets	Resolved
Physical Inventory of Capital Assets	Resolved
Deficit Fund Balance	Resolved

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**SECTION III - MANAGEMENT LETTER (CONTINUED)**

Financial and Grant Recordkeeping	Resolved
Accounting Manual	Resolved
Budget Procedures	Resolved
Disaster Recovery Plan	Resolved
Approved Vendor Listing	Resolved

**Contact:**

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